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D. & J. SIMONS & SONS LIMITED

DIRECTORS REPORT AND ACCOUNTS

31st OCTOBER 1982

Registered Office:	126/128 Hackney Road, London E.2.
Directors:	J.M. Simons Mrs. L. Simons S.J. Simons H.I. Simons B.L. Simons
Secretary:	Mrs. L. Simons

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* The page so marked does not form part of the Statutory Accounts.

COMPANIES REGISTRATION M 13 SEP 1983 32 OFFICE

D. & J. SIMONS & SONS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31st OCTOBER 1982

The Directors have pleasure in submitting their Annual Report, together with the Audited Accounts of the Company for the year ended 31st October 1982.

ACTIVITIES:

The principal activities of the Company are those of Sellers of Wood Products and there were no significant changes during the year.

RESULTS AND DIVIDENDS:

			1981	
Net Profit for the year, before Taxation		33,410		21,953
Taxation		4,300		190
Net Profit for the year, after Taxation		29,110		21,763
Undistributed Profits, brought forward	245,145		223,607	
Formation Expenses, written off	-		225	
		245,145		223,382
Undistributed Profits, carried forward		£274,255		£245,145

No Dividend is recommended to be paid on the Ordinary Shares.

DIRECTORS:

The following were Directors of the Company during the year and their interests in the Ordinary Shares of the Company were as follows:-

	Shares at 31.10.1982	Shares at 31.10.1981
J.M. Simons	25	25
Mrs. L. Simons	25	25
S.J. Simons	150	150
H.I. Simons	150	150
B.L. Simons	150	150

FIXED ASSETS:

Movements in Fixed Assets are detailed in the Notes to the Accounts.

The Directors are of the opinion that the Market Value of the Company's Land and Buildings is in excess of book value. They do not however consider that the cost of re-valuation is warranted.

DONATIONS:

No Charitable or Political Donations were made during the year.

AUDITORS:

In accordance with Section 14 of the Companies Act 1976, a Resolution proposing the re-appointment of Messrs. Sinclairs, Chartered Accountants as Auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

MRS. L. SIMONS

Secretary

22nd JULY 1983

REPORT OF THE AUDITORS TO THE MEMBERS OF

D. & J. SIMONS & SONS LIMITED

We have audited the financial statements on pages 3 to 6. Our audit was conducted in accordance with approved auditing standards having regard to the matters referred to in the following paragraphs.

In common with many businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the full time working Directors (who are major shareholders). Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

No provision for depreciation has been provided on the Company's Freehold Buildings. This policy is not in accordance with Statement of Standard Accounting Practice No.12.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs as at 31st October 1982 and of the Profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

SINCLAIRS,
32 QUEEN ANNE STREET,
LONDON W1M 9LB

CHARTERED ACCOUNTANTS

22nd JULY 1983

D. & J. SIMONS & SONS LIMITED

BALANCE SHEET AS AT 31st OCTOBER 1982

	Notes			1981	
FIXED ASSETS	(1c:2)		25,946		20,402
CURRENT ASSETS					
Stock	(1b)	450,367		373,167	
Debtors		757,508		744,190	
Tax Deposit Certificates		1,000		3,693	
Taxation Recoverable		3,655		-	
Cash at Bank		73,396		-	
		£1,285,926		£1,121,050	
deduct:					
CURRENT LIABILITIES					
Creditors and Accrued Charges		897,274		778,470	
Bank Overdraft		-		19,203	
Corporation Tax		4,300		4,915	
Directors Current Accounts		65,138		52,814	
Directors Undrawn Remuneration		70,405		40,405	
		£1,037,117		£895,807	
NET CURRENT ASSETS			248,809		225,243
NET ASSETS EMPLOYED			£274,755		£245,645
Financed by:-					
SHARE CAPITAL	(3)		500		500
REVENUE RESERVES			274,255		245,145
			£274,755		£245,645

G.J. SIMONS)
H.I. SIMONS) Directors

D. & J. SIMONS & SONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st OCTOBER 1982

	Notes			1981	
TURNOVER	(1a)		£4,677,946		£4,347,521
NET PROFIT before Taxation			33,410		21,953
After Charging:-					
Depreciation	(1c:2)	3,176		608	
Directors Remuneration	(6)	47,970		39,000	
Directors Pension Scheme		70,000		52,000	
Auditors Remuneration		5,000		3,000	
And after Crediting:-					
Interest on Tax Deposit Certificates		934		693	
Bank Interest Received		16,144		23,427	
deduct:					
TAXATION					
Corporation Tax based on Taxable Profits for the year at 39% (1981 - 40%)	(7)	4,300		345	
Repayment Supplement Received		-		(241)	
Interest on Overdue Tax		-		86	
			4,300		190
NET PROFIT after Taxation			29,110		21,763
Undistributed Profits, brought forward		245,145		223,607	
Formation Expenses, written off		-		225	
			245,145		223,382
UNDISTRIBUTED PROFITS, carried forward			£274,255		£245,145

D. & J. SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 1982

1. ACCOUNTING POLICIES

(a) Turnover

Represents the value of sales and goods supplied exclusive of Value Added Tax.

(b) Stock

This is valued at the lower of Cost and Net Realisable Value.

(c) Fixed Assets

These Assets are stated at Cost. Depreciation is calculated to write off the Fixed Assets over their expected lives, on the reducing balance basis.

The rates in use are:

Freehold Land and Buildings	Nil
Motor Vehicles	20%

As referred to in the Report of the Directors, they are of the opinion that the market value of the Company's Land and Buildings is in excess of book value and for this reason no depreciation has been provided on these Assets.

2. FIXED ASSETS

	Freehold	Motor Vehicles	TOTAL
COST			
Cost as at 1st November 1981	13,240	8,116	21,356
Additions at Cost		8,720	8,720
Balance as at 31st October 1982	£13,240	16,836	30,076
DEPRECIATION			
Balance as at 1st November 1981	-	954	954
Charge for year	-	3,176	3,176
Balance as at 31st October 1982	£ -	4,130	4,130
NET BOOK VALUE			
As at 31st October 1981	£13,240	7,162	20,402
As at 31st October 1982	£13,240	12,706	25,946

D. & J. SIMONS & SONS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 1982

(Continued)

3. SHARE CAPITAL

		1981
Authorised:		
1,000 Ordinary Shares of £1. each	£1,000	£1,000
Issued and Fully Paid:		
500 Ordinary Shares of £1. each	£500	£500

4. CONTINGENT LIABILITIES

The Company has entered into an agreement with its Bankers whereby the Company, together with other Companies, have given cross guarantees in respect of bank overdrafts and advances of each Company within the Group.

The Company has entered into an arrangement by which it is Group Registered for Value Added Tax purposes and therefore the Company is jointly and severally responsible for the total VAT liability for all Companies included in the Group registration.

5. COMPANY STATUS

D. & J. Simons & Sons Limited is a Close Company within the meaning of the Income and Corporation Taxes Act 1970.

6. DIRECTORS REMUNERATION

This falls within the following categories:-

				1981
£0	-	£5,000	2	2
£10,001	-	£15,000	-	3
£15,001	-	£20,000	3	-

The highest paid Director received remuneration of £15,990 (1981 - £13,000).

7. TAXATION

There is a reduced charge to taxation in view of the Company's claim to stock relief and accelerated capital allowances.

D. & J. SIMONS & SONS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31st OCTOBER 1982

		1982		1981
SOURCE OF FUNDS				
Profit for the year		33,410		21,953
Adjustment for items not involving movement of funds:				
Depreciation		3,176		608
Total Funds Generated		36,586		22,561
APPLICATION OF FUNDS				
Tax Paid (less refunds)	8,570		3,632	
Purchase of Fixed Assets	8,720		4,730	
		17,290		8,362
INCREASE IN WORKING CAPITAL		£19,296		£14,199
Increase in:				
Stock	77,200		131,347	
Debtors and Prepayments	13,318		59,167	
Increase in:				
Creditors and Accruals	(118,804)		(168,435)	
Directors Loan Accounts	(42,324)		(33,903)	
	£(70,610)		£(11,824)	
Movement in Net Liquid Funds:				
Increase/(Decrease) in:				
Cash at Bank	73,396		-	
Tax Deposit Certificates	(2,693)		(3,307)	
Decrease in:				
Bank Overdrafts	19,203		29,330	
	£89,906		£26,023	
		£19,296		£14,199